feel this is what their employees have been wanting and this is what they need so that we can keep our valuable good employee. Now if we are having problems with employees not doing their jobs, then this is left up to the department heads to terminate these people and the words have been used "discretionary funds". Discretionary gives permission to an individual to make a decision on a judgment. It doesn't necessarily say that they have to use this money for salaries. So I urge you strongly to yoth against the Senator Koch's amendment.

PRESIDENT: Senator Marsh.

SENATOR MARSH: Mr. President, I stand to oppose Senator Koch's motion. As I have heard from many, many state employees, both before and after this amendment was offered, I am aware that the majority of state employees would be infavor of the bill the way it currently reads. It allows for flexibility for the administrators to reward certain employees who have done an exceptionally fine job. It also allows those employees who are feeling the pinch for the cost of living to be guaranteed that they will have a 5% increase rather than a 4% guarantee. If you do not mandate the method in which these are parceled out, you cannot say this will allow employees to have 6% July 1. You cannot say that if you do not mandate it. It is important that we do as much as we can. I would like to do more financially for the employees of the State of Nebraska because I feel that the majority of state employees have earned more than this increase. I urge you not to change the way this currently is reading in LB 964.

PRESIDENT: Senator Newell.

SENATOR NEWELL: Mr. President, members of the body, Twould like to speak in opposition to the Koch amendment but first I would like to get a little more clarification of what Senator Koch is trying to do. Senator Koch, your purposes again is to allow flexibility by the administrators, is that correct?

SENATOR KOCH: Since the word has been used, that is correct.

SENATOR NEWELL: Senator Koch, just how will this work mechanically, say in the Department of Roads? How will the chief engineer go through and look at the nineteen hundred employees and determine which ones are meritorious and which ones are not?

SENATOR KOCH: As I understand, immediately they would be given 4%, July 1. At the discretion of the immediate agency head, they could be given 6% total right at that time. Otherwise, they will get 4% and that would be all employees. 2% would be discretionary at the discretion of the agency head.

SENATOR NEWELL: All right, Senator Koch, let me ask you another question. Will the 25%, will it be a maximum of 65%, is that the proposal?

SENATOR KOCH: As I understand our package, it would be $6 \frac{1}{2} \pi$ total.